

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 000978

SIPDIS

STATE FOR EAP/BCLTV
COMMERCE FOR ITA JEAN KELLY
TREASURY FOR OASIA JEFF NEIL
USPACOM FOR FPA

E.O. 12958: DECL: 08/12/2013

TAGS: [EFIN](#) [ETRD](#) [PGOV](#) [PHUM](#) [PREL](#) [BM](#)

SUBJECT: BURMESE DEPUTY FM: "U.S.-BURMA RELATIONS AT ROCK
BOTTOM"

Classified By: COM Carmen Martinez for Reasons 1.5 (B,D)

1. (C) Summary: Burma's Deputy Foreign Minister (DFM) told us on August 12 that the country's ruling generals are deeply upset with new U.S. sanctions and concerned about their impact on the Burmese economy, but feel confident they can mitigate any negative consequences. He said that the 2003 Burma Freedom and Democracy Act and Executive Order 13310 had sent U.S.-Burma relations to "rock bottom" and that there needed to be a cooling off period before progress on bilateral issues could resume. The DFM demurred on our request to see detained NLD leader Aung San Suu Kyi and declined to specify a timetable for the release of ASSK or other detained NLD leaders. End Summary.

2. (C) The Chief of Mission met at her request on August 12 with Deputy Foreign Minister Khin Maung Win to discuss a variety of bilateral issues and to inquire about his July travels throughout the region. The DFM said that SPDC Chairman General Than Shwe had sent him as a personal envoy to "let friends know about the situation (in Burma) and to address their concerns." He did not offer specific details about his meetings with regional leaders, but intimated that his discussions in Japan and Malaysia had been difficult. He said he received a "sympathetic" hearing in Brunei, Singapore, and the Philippines, noting that Philippine President Arroyo had made herself personally available "despite serious domestic challenges."

ASSK Transfer?

3. (C) The DFM said that he had faithfully reported to the SPDC generals the content of his July discussions in New York with EAP DAS Matt Daley, including his message that the GOB would transfer detained opposition leader Aung San Suu Kyi (ASSK) to her Rangoon compound for continued "protective custody" if the authorities were not in a position to release her altogether. The COM urged the DFM to obtain permission for her to visit ASSK and to immediately release NLD executive committee members under house arrest. When the Pol/Econ chief pressed for a specific timeline to transfer or release ASSK, the Deputy FM cringed and said "I will not push (the generals) on this issue." The COM urged the DFM to arrange for her to meet personally with General Khin Nyunt (SPDC Secretary One) with whom she would directly pursue the issue of ASSK's detention.

The Generals Finally Get the Message

4. (C) The DFM said he had told DAS Daley in New York that the GOB hoped to return to the political status quo that existed before the May 30 "incident" (note: the premeditated attack on ASSK and her convoy), but that the Burma Act and Executive Order had sent U.S.-Burma relations to rock bottom. The Deputy FM described the SDPC generals as "very upset" with the sanctions and said they were deeply offended by a photo of the Oval Office signing ceremony and the "apparent joy" of those present (President Bush and several Members of Congress). The Deputy FM said that as a result of the sanctions, nothing at the moment could be accomplished bilaterally, particularly on those issues discussed with DAS Daley. He said the GOB did not feel compelled to make concessions because of the sanctions, but noted that his government was realistic and expected there to be a serious impact on the economy. He added, though, that the GOB is "confident we can mitigate the consequences" of the new sanctions.

5. (C) The COM told the Deputy FM that it was indeed the intent of the E.O. to make the Burmese leadership concerned, noting that it is incumbent upon the GOB to release ASSK and other NLD detainees in order create the conditions necessary for a return to dialogue. She added that the Deputy FM should tell the senior SPDC leadership that despite the severity of the executive order, there are provisions to lift sanctions if conditions warrant, which demonstrates the hope of the USG that the SPDC will act accordingly. DFM Khin Maung Win replied that "we need a cooling down period" and

said he was not in a position to comment on the status of the NLD leaders, but that his availability to meet with the COM was a sign that "the door is open to dialogue" (note: the GOB has been more unresponsive than usual over the past month to our requests for meetings with senior officials).

16. (C) The COM also inquired about visits to Burma by U.N. envoys, noting in particular that the U.S. fully supports the return of UNCHR Special Rapporteur Pinherio and his human rights team to follow up on his most recent mission. The DFM said he had spoken that morning with U.N. Special Envoy Razali and, although Razali had expressed his desire to return to Burma immediately, the DFM said it was a "matter of timing" before any visits of either U.N. envoy could be arranged.

Comment: Flatfooted?

17. (C) We have long suspected that GOB officials are reluctant to deliver bad news to the ruling generals. Deputy Foreign Minister Khin Maung Win's repeated references to the ire of the SPDC leaders over new U.S. sanctions leads us to believe that no one adequately prepared the isolated generals for the broad impact of the import ban and the assets freeze.

The DFM himself seemed surprised that, in his words, the executive order had cast a wider net than the Burma Act passed by Congress. The GOB has been very slow to recover from the initial impact of the sanctions (and they have repeatedly declined our open offer for a briefing on the technical aspects of the executive order). Perfectly illustrating the GOB's state of ignorance regarding sanctions, the Deputy FM inquired "off the record" as to how his business "friends" could apply for a general license to gain access to funds frozen in U.S. bank accounts. That, we told him, is just the point: the sanctions are intended to send a clear and unambiguous message that the time is over for business as usual. End comment.

Martinez